

SERVICE DATE – JUNE 23, 2015

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. AB 43 (Sub-No. 190X)

ILLINOIS CENTRAL RAILROAD COMPANY—DISCONTINUANCE OF SERVICE  
EXEMPTION—IN SANGAMON AND MONTGOMERY COUNTIES, ILL.

Digest:<sup>1</sup> This decision allows Illinois Central Railroad Company to discontinue its freight rail service over approximately 10.75 miles of rail line in Sangamon and Montgomery Counties, Ill., subject to standard employee protective conditions.

Decided: June 22, 2015

By petition filed on March 13, 2015, Illinois Central Railroad Company (IC) seeks an exemption under 49 U.S.C. § 10502 from the provisions of 49 U.S.C. § 10903 to discontinue service over an approximately 10.75-mile rail line, extending from milepost 207.25 at Cimic to milepost 218.0 at Farmersville, in Sangamon and Montgomery Counties, Ill. (the Line). Notice of the exemption was served and published in the Federal Register on April 2, 2015 (80 Fed. Reg. 17,821).

No comments concerning the proposed discontinuance were filed. We are granting the exemption from 49 U.S.C. § 10903, subject to standard employee protective conditions.

BACKGROUND

The Line, known as the Farmersville Segment, is single tracked and stub-ended. IC states that the end of the Line at milepost 218.0 connects with “non-Board-regulated industrial tracking” leading to the Crown 3 mine, which is owned by Springfield Coal Company, LLC (Springfield Coal).<sup>2</sup> According to IC, service to the Farmersville and Cimic stations would be discontinued if the exemption is granted, although the Cimic station would remain open north of milepost 207.25.

---

<sup>1</sup> The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. See Policy Statement on Plain Language Digests in Decisions, EP 696 (STB served Sept. 2, 2010).

<sup>2</sup> IC does not indicate whether it refers to IC-owned track excepted pursuant to 49 U.S.C. § 10906 or private track owned by Springfield Coal. For purposes of the Board’s analysis, it does not matter.

IC states that common carrier operations on the Line ceased in December of 2013, when Springfield Coal, the only customer on the Line, ended operations at the Crown 3 mine.<sup>3</sup> IC maintains that it is unaware of any near-term plans to reopen the mine, but that it could foresee circumstances under which the Crown 3 mine might at some future date be reactivated, at which time the mine may produce sufficient carload traffic to warrant restoring rail service on the Line. IC contends that there have been no other recent shippers on the Line, and although traffic opportunities aside from the possible reopening of the Crown 3 mine may emerge at some future date, such traffic possibilities are entirely speculative. IC alleges that it is mindful of the trackage rights operations of Illinois & Midland Railroad, Inc. (IMRR), to the north of the Line and anticipates that the proposed discontinuance would not affect IMRR train service. Finally, IC asserts that, because the Line is stub-ended, it is not capable of handling overhead traffic.

### DISCUSSION AND CONCLUSIONS

Under 49 U.S.C. § 10903, a rail carrier may not discontinue operations without the prior approval of the Board. Under 49 U.S.C. § 10502, however, we must exempt a transaction or service from regulation when we find that: (1) continued regulation is not necessary to carry out the rail transportation policy (RTP) of 49 U.S.C. § 10101; and (2) either (a) the transaction or service is of limited scope, or (b) regulation is not necessary to protect shippers from the abuse of market power.

Detailed scrutiny of IC's proposed discontinuance under 49 U.S.C. § 10903 is not necessary to carry out the RTP in this case. The only shipper on the Line has neither opposed the proposed discontinuance nor indicated that it would be adversely affected by it. An exemption would minimize the administrative expense of the application process, expedite regulatory decisions, reduce regulatory barriers to exit, and provide for the expeditious handling and resolution of proceedings. 49 U.S.C. §§ 10101(2), (7), and (15). An exemption would also foster sound economic conditions in transportation and encourage honest and efficient management of railroads by more quickly permitting IC to formally discontinue operations on a line that is not in use. 49 U.S.C. §§ 10101(5) and (9). Other aspects of the RTP would not be adversely affected by the use of the exemption process.

We also find that regulation under 49 U.S.C. § 10903 is not necessary to protect shippers from the abuse of market power.<sup>4</sup> As noted, the Line has been out of service since December 2013, and no shippers filed comments regarding the discontinuance. Nevertheless, to ensure that the shipper that had used the Line is informed of this proceeding and of our action here, we will

---

<sup>3</sup> IC certifies that it has served a copy of its discontinuance petition for exemption on Springfield Coal.

<sup>4</sup> Because we find that regulation of the proposed abandonment is not necessary to protect shippers from the abuse of market power, we need not determine whether the proposed discontinuance is limited in scope.

direct IC to serve a copy of this decision on Springfield Coal so that it receives it within five days of the service date of this decision, and to certify to the Board contemporaneously that it has done so.

Under 49 U.S.C. § 10502(g), the Board may not use its exemption authority to relieve a carrier of its statutory obligation to protect the interests of its employees. Accordingly, as a condition to granting this exemption, we will impose upon IC the employee protective conditions set forth in Oregon Short Line Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho, 360 I.C.C. 91 (1979).

Because this is a discontinuance of service and not an abandonment, the Board need not consider offers of financial assistance (OFAs) under 49 U.S.C. § 10904 to acquire the Line for continued rail service, trail use requests under 16 U.S.C. § 1247(d), or requests to negotiate for public use of the Line under 49 U.S.C. § 10905. However, the OFA provisions under 49 U.S.C. § 10904 for a subsidy to provide continued rail service do apply to discontinuances.

Because there will be no salvage and no diversion of traffic, this action does not trigger the environmental review process.

It is ordered:

1. Under 49 U.S.C. § 10502, we exempt from the prior approval requirements of 49 U.S.C. § 10903 the discontinuance of service by IC of its operations over the above described line, subject to the employee protective conditions set forth in Oregon Short Line Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho, 360 I.C.C. 91 (1979).

2. IC is directed to serve a copy of this decision on Springfield Coal so that they receive it within five days after the service date of this decision and to certify contemporaneously to the Board that it has done so.

3. An OFA under 49 C.F.R. § 1152.27(b)(2) to subsidize continued rail service must be received by IC and the Board by July 3, 2015, subject to time extensions authorized under 49 C.F.R. § 1152.27(c)(1)(i)(C). The offeror must comply with 49 U.S.C. § 10904 and 49 C.F.R. § 1152.27(c)(1). Each OFA must be accompanied by the filing fee, which currently is set at \$1,600. See 49 C.F.R. § 1002.2(f)(25).

4. OFAs for subsidy and related correspondence to the Board must refer to this proceeding. The following notation must be typed in bold face on the lower left-hand corner of the envelope: **“Office of Proceedings, AB-OFA.”**

5. Petitions to stay must be filed by July 3, 2015. Petitions to reopen must be filed by July 13, 2015.

6. Provided no OFA to subsidize continued rail service has been received, this exemption will be effective on July 23, 2015.

By the Board, Acting Chairman Miller and Vice Chairman Begeman.